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MAR 23 1953

MEMORANDUM FOR: Secretary of State
Department of State

SUBJECT: Conferences of Top Italian Ambassadors and other
Leaders of Italian Foreign Office.

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The following information was obtained from a usually reliable individual with excellent and highly sensitive contacts in the Italian Ministry of Foreign Affairs. The American Embassy in Rome has requested that this report be called to the personal attention of the Secretary of the United States Department of State. The following represent the results of conferences of top leaders of the Italian Foreign Office which took place in Rome from 16 to 18 March 1953. Among those who attended were Alcide De Gasperi; Vittorio Zeppi, Secretary-General of the Italian Foreign Ministry; Giulio Dal Balzo, Director of the Political Affairs Section of the Italian Foreign Ministry; and four Italian Ambassadors including Pietro Quaroni, Ambassador to Paris; Mario Brosio, Ambassador to London; Alberto Tarchiani, Ambassador to Washington; and Babuscio Rizzo, Ambassador to Bonn.

1. The agenda covered at the conferences included:
 - a. The Trieste problem and Yugoslav relations;
 - b. The Albanian situation;
 - c. The Greek-Turkish-Yugoslav Pact; and
 - d. The European Defense Community.

2. Trieste problem and Yugoslav relations: De Gasperi was not present at the initial morning session on 16 March because of the Senate debates regarding the electoral law. The ambassadors present proceeded to consider the Trieste problem and, as a consequence of the morning talks, they drew up a memorandum in which it was advised, from a purely technical viewpoint, that the Italian Government accept the policy of a definitive settlement with the Yugoslavs of the Trieste problem on the basis of a territorial line drawn on the Dragogna,

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which is a stream a few kilometers south of Pirano. The major factor in this decision of the Ambassadors was Tarchiani's report of his meeting, immediately prior to his departure from Washington, with Secretary of State, John Foster Dulles, in which the latter had indicated the "opportuneness" for Italy to arrive at a definitive agreement with the Yugoslavs on the Trieste problem on the basis of a territorial line drawn on Pirano. Also indicated were a concession to the Yugoslavs of free port and railway rights out of Trieste and a retrocession of certain Slav villages in Zone A. The memorandum drawn up by the Italian Ambassadors on the morning of 16 March specifically indicated that their advice was based entirely on technical considerations and left the evaluation of internal political consequences entirely to the Italian Foreign Minister.

3. De Gasperi, who attended the afternoon session and all subsequent meetings, manifested a very violent reaction to the Ambassadors' memorandum charging them textually: "You desire my political suicide and defeat of my party!" De Gasperi also pointed out that technical and political considerations could not be separated and, therefore, it would be impossible for them to escape the responsibility for the solution suggested.

4. By the afternoon of 18 March De Gasperi had come to accept the thesis of a definitive settlement but solely on the condition that the United States would be in a position to propose a settlement plan which would be definitively acceptable to the Yugoslavs and not on the basis of a line drawn not exactly at Pirano but on or near Dragogna. The free port and railway rights for the Yugoslavs and retrocession of Slav villages in Zone A was acceptable. In the event the Yugoslavs refuse this offer of definitive settlement along the above lines, Italy desires to take over complete administration of Zone A.

5. Although De Gasperi, despite unfavorable public reaction, had come to this point of view, he opposed putting anything on paper, and instructions given to Tarchiani on the evening of 18 March for communication to the United States Department of State of the substance of the decision were entirely verbal.

6. Italian preoccupation is to avoid making the offer themselves which would be rejected by the Yugoslavs and as a consequence would have the effect of further restricting Italy in negotiations. Opinion at the conference varied from 60 to 95 percent on the part of the individuals present that the Yugoslavs would reject even the above settlement proposal.

7. Albania: The Albanian situation was discussed briefly during the first day of the conference and entirely on the basis of press information and Belgrade and Tirana dispatches. The Ambassadors

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approved a four page paper reviewing the background of Italian policy regarding Albania and suggesting appropriate action to be taken to communicate the Italian viewpoint to the capitals of the three Western powers.

8. The paper on Albania, which was approved by the Ambassadors, reviewed the historical aspects of the Albanian problem beginning with the Ambassadors' Conference of 1912 and the development of Italian policy of support to the independence and integrity of Albania from the Goluchowski-Visconti Vinesca accord in 1893 through the Ambassadors' Conference of 1912, the Florence Conference of 1913, which established the present Albanian frontiers, the London Treaty of 1915, and the Ambassadors' Conference in Paris of 1920-21. The statement noted the "recrudescence" British tendency to "establish points of influence in the Adriatic".

9. In general the paper stated that the Italian policy, in connection with the "new dynamic phase" of the United States Republican Party's foreign policy which had given impetus to liberation policies and had therefore resulted in an expansion of "Tito rule", should be to safeguard Italian interests while harmonising fully with those general interests of the Western Powers. Keeping in mind the Soviet sensitivity regarding the Balkans, as demonstrated by the Tito break and the liquidation of Dimitrov, the paper suggested the need for calling to the Allied Governments' attention that any inroad against Albanian territorial integrity would:

- a. Greatly compromise the entire Western policy of attraction toward the Satellite states; and
- b. Could determine further difficulties in Italian-Yugoslav relations, thus having an effect contrary to that policy line advised by the three Western Powers.

10. The paper also noted that the present Albanian frontiers were the result of a long negotiated compromise between Rome and Vienna on the eve of World War I. Any modification would make the Yugoslavs heir to the Hapsburg tradition as far as Italy was concerned, and would not contribute to the distension of relations which is considered necessary. In addition, it pointed out in confirmation of this analysis, that Italo-Yugoslav distension in 1937 collapsed upon the Italian disturbance of the "Albanian equilibrium" in 1939.

11. On the basis of the Ambassadors' acceptance of this policy line, instructions were given immediately for appropriate steps which have already been taken in Washington and other capitals. (sic).

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12. Greek-Turkish-Yugoslav Pact: A lengthy analysis of this pact was made in connection with a suggestion which was also made by the United States Secretary of State, John Foster Dulles, to Tarchiani, before the latter's departure, that Italy consider joining this pact. After considering the historical background and the weakness of preceding Balkan agreements, it was noted that the recent Greek-Turkish-Yugoslav arrangement appeared to offer a more solid basis for effective cooperation against an external threat to these states than previous attempted accords. It was stipulated that some of the factors in favor of Italian entry into the accord are:

- a. Italy would counterweight a certain predominance in Allied circles regarding the Balkan area which would otherwise be entirely monopolized by the three Balkan states;
- b. Italy would gain the possibility of establishing primacy within this grouping; and
- c. Yugoslav entry into NATO would be forestalled.

The chief disadvantages accruing from Italy's entry into the pact would be:

- a. Definitive underwriting of territorial settlements affecting Italy under the Paris Treaty of 1946;
- b. The acceptance of wide and delicate commitments; and
- c. The acceptance of a policy line which would probably be unpopular in the country, at least at the outset.

The considerations clearly showed that the advantages outweighed the disadvantages. No definite policy decision was arrived at the Ambassadors' conference regarding this matter although all concerned were clearly favorable in principle to Italy's entry. The decision taken was to circulate the paper on the Greek-Turkish-Yugoslav Pact to Italian diplomatic chiefs in Western Europe and Near Eastern representations for their comment, in order to secure a wider basis for consensus before making a formal decision.

13. European Defense Community (EDC): It was reaffirmed to proceed as rapidly as possible to the ratification of EDC accords which, however, it was recognized that it cannot take place because of the time factor until after the forthcoming political elections and selection of a new Chamber of Deputies.

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